

## Village Roadshow boss punts on video start-up



Robert Kirby, Chairman Village Roadshow

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Village Roadshow head honcho Robert Kirby has taken a \$500,000 stake in a technology start-up in the video virtualisation space.

The Kirby Family Trust has picked up 10,000,000 shares of Linius Technologies at 5 cents a pop with Mr Kirby, the co-executive chairman and co-CEO of Village Roadshow, saying that the start-up has the potential to shake up the film distribution market.

“We see great potential for the Linius technology to impact many areas of the film industry, from reducing production costs, potentially reducing piracy to opening up a myriad of new monetisation opportunities for content producers and broadcasters alike,” Mr Kirby said in a statement.

Linius, which listed on the ASX in May, is working on a patented video virtualisation engine, which it says has the potential to rewrite how cable companies look to make money from video ad traffic.

The basic premise behind Linius’ complex technology is treating video content not as video but rather as data, which allows a host of management and personalisation options to come into the picture.

While Linius' main goal is to introduce a personalised dynamic into the world of linear television the technology extends beyond advertising. The software can be put anywhere in the video value chain, from content delivery to digital rights management and according to technology equity research firm TMT Analytics, that's where Village Roadshow may be interested in leveraging the technology.

"Village is very well-positioned to appreciate the substantial value Linius' technology will have once commercially rolled out," TMT said.

"Village has working relationships with Foxtel, Channel Nine, Netflix, Warner Bros, the BBC, who almost by default should all have a keen interest in Linius' technology, especially the personalised TV advertising element."

Linius does not generate revenue, so its future depends on the quality of the partnerships it can strike and proving the potential of its patented technology. The presence of Mr Kirby is likely to play an important role in building connections with interested parties, TMT analysts said.

According to Linius' recent quarterly update and annual accounts, the start-up has \$3.3 million in the bank and an initial cash burn rate of \$150k per month, in line with its operating plan.

"We had not actively been pursuing further capital raising opportunities. However, when the Kirby family approached us, we saw their significant strategic value," Linius chief executive officer Chris Richardson said.

The new shares will be subject to a voluntary escrow restriction for 8 months from their date of issue through to May 2017.

<http://www.theaustralian.com.au/business/technology/village-roadshow-boss-punts-on-video-startup/news-story/64f329de03b406e0f7058ff78f75db3f>